

**PUDUMJEE
PAPER PRODUCTS
LIMITED**



PUDUMJEE

**ANNUAL REPORT
2015 - 2016**

PUDUMJEE PAPER PRODUCTS LIMITED

DIRECTORS :

A. K. JATIA (Chairman)
V. P. LEEKHA (Managing Director)
S. K. BANSAL
V. K. BESWAL
NANDAN DAMANI
MRS. MADHU DUBHASHI
DR. ASHOK KUMAR (Executive Director w.e.f. 28.05.2016)
B. K. KHAITAN

BANKERS :

STATE BANK OF INDIA
IDBI BANK LIMITED
BANK OF INDIA
KOTAK MAHINDRA BANK LIMITED
THE SARASWAT CO-OPERATIVE BANK LIMITED
AXIS BANK LIMITED

AUDITORS :

KHARE & COMPANY

REGISTERED OFFICE :

THERGAON, PUNE 411 033.

REGISTRAR & TRANSFER AGENTS :

KARVY COMPUTERSHARE PVT. LTD.,
UNIT : PUDUMJEE PAPER PRODUCTS LIMITED,
KARVY SELENIUM TOWER B, PLOT NO. 31 & 32,
GACHIBOWLI, FINANCIAL DISTRICT, NANAKRAMGUDA,
SERILINGAMPALLY, **HYDERABAD – 500 032.**

DEMAT STOCK CODE :

INE865T01018

EQUITY SHARES ARE LISTED AT :

BSE LTD. AND NATIONAL STOCK EXCHANGE OF INDIA LTD.

NOTICE

The Second Annual General Meeting of the Shareholders of **Pudumjee Paper Products Limited** will be held at the Registered Office of the Company at Thergaon, Pune 411 033 on Saturday, the 17th day of September, 2016 at 2.30 p.m. (ST) to transact the following business:

ORDINARY BUSINESS:

- 1) To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2016 including the Audited Balance Sheet as at 31st March, 2016 and the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date and the Reports of the Board of Directors, Auditors thereon.
- 2) To appoint a Director in place of Mr. Surendra Kumar Bansal (DIN: 00031115), who retires by rotation and being eligible, offers himself for re-appointment.
- 3) To declare a dividend on equity shares of the Company for the year 2015-2016.
- 4) To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the Messrs. Khare & Co., Chartered Accountants (FRN 105100W), be and are hereby appointed as Auditors of the Company, from the conclusion of this annual general meeting till the conclusion of 06th Annual General meeting of the Company, on such remuneration as may be fixed by the Board of Directors of the Company on the recommendation of the Audit Committee".

- 5) To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant provision of Section 143 (8) and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, Messrs G.N. Angal & Co., Chartered Accountants (FRN 113250W), be and is hereby appointed as the Branch Auditor of the Company to hold office from the conclusion of this meeting upto the conclusion of the next Annual General Meeting of the Company on such terms and conditions including remuneration payable to them, as may be fixed by the Board of Directors of the Company on the recommendation of the Audit Committee".

SPECIAL BUSINESS:

- 6) To appoint a Director in place of Mr. Nandan Damani, who was appointed as an Additional Director of the Company with effect from 21st October, 2015 pursuant to Section 161 of the Companies Act, 2013 and applicable provisions of the Articles of Association and holds office only upto the date of this Annual General Meeting by reason of the provision of Section 161 of the Companies Act, 2013 and being eligible offers himself for reappointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature to the office of a Director in accordance with the provisions of the Section 160 of the Companies Act, 2013 and if thought fit, to pass the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Nandan Damani (DIN: 00058396), who submitted a declaration that he meets the criteria for independence as provided

in Section 149(6) of the Companies Act, 2013 and who is eligible for reappointment, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (Five) year from 17th September, 2016 to 16th September, 2021".

- 7) To appoint a Director in place of Mr. Vinod Kumar Beswal, who was appointed as an Additional Director of the Company with effect from 21st October, 2015 pursuant to Section 161 of the Companies Act, 2013 and applicable provisions of the Articles of Association and holds office only upto the date of this Annual General Meeting by reason of the provision of Section 161 of the Companies Act, 2013 and being eligible offers himself for reappointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature to the office of a Director in accordance with the provisions of the Section 160 of the Companies Act, 2013 and if thought fit, to pass the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Vinod Kumar Beswal (DIN: 00120095), who submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and who is eligible for reappointment, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (Five) year from 17th September, 2016 to 16th September, 2021".

- 8) To appoint a Director in place of Mrs. Madhu Dubhashi who was appointed as an Additional Director of the Company with effect from 14th November, 2015 pursuant to Section 161 of Companies Act, 2013 and applicable provisions of the Articles of Association and holds office only upto the date of this Annual General Meeting by reason of the provisions of Section 161 of the Companies Act, 2013 and being eligible offers herself for reappointment and in respect of whom the Company has received a notice in writing from a member proposing her candidature to the office of a Director in accordance with the provisions of the Section 160 of the Companies Act, 2013 and if thought fit, to pass the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mrs. Madhu Dubhashi (DIN: 00036846), who submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and who is eligible for reappointment, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (Five) year from 17th September, 2016 to 16th September, 2021".

- 9) To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 and other applicable provisions, if any, read with Schedule V of the Companies Act, 2013 (the Act) and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modification(s), as may be required and which Mr. Ved Prakash Leekha may accept, the consent be and is hereby accorded to the following remuneration, payments, benefits and amenities, paid/to be paid to Mr. Ved Prakash Leekha, Managing Director of the Company, with effect from 01st February, 2016 till the remainder of his term of appointment i.e. 16th January, 2020, and the terms and conditions of his appointment, with a power to the Board of Directors to alter or vary from time to time at its discretion,

the remuneration and other terms so however that they do not exceed the permissible limits laid down under Schedule V to the Act or any statutory modification(s) or re-enactment thereof for the time being in force, namely:

- (a) The Managing Director shall, subject to the supervision and control of the Board of Directors, be in overall charge of the Company's activities and in particular attend to all matters concerning production planning, manufacture, marketing and administration and shall perform such other duties and services and exercise such powers as shall, from time to time, be entrusted to him by the Board of Directors and the Chairman of the Company.
- (b) Remuneration including Dearness Allowance at the rate of ₹ 6,45,000/- per month upto 30th June, 2016 and at the rate of ₹ 6,03,000/- per month thereafter.
- (c) Rent free furnished residential accommodation, the Company paying or reimbursing all rents, rates, taxes and other expenses for the upkeep and maintenance of his residential accommodation or an allowance in lieu thereof at ₹ 2,30,000/- per month upto 30th June, 2016 and at the rate of ₹ 50,000/- per month thereafter.
- (d) Expenses of electricity, gas and water, furnishing, of the residential accommodation.
- (e) Actual medical expenses including health insurance premium, hospitalization, nursing home charges, surgical charges and traveling expenses incurred for himself, his wife and dependent children.
- (f) Leave Travel Assistance to cover air or first class air conditioned railway fare for himself, his wife and dependent children once in a year to and from any place in India.
- (g) Membership fees including entrance and other fees for any two Clubs.
- (h) Personal accident insurance premium.
- (i)
 - (i) Participation in the Provident Fund.
 - (ii) Gratuity as per the Company's rules applicable to its Executive staff members.
 - (iii) Pension, by whatever name called, @ ₹ 1,45,000/- per month to Mr. Ved Prakash Leekha during his life time and thereafter to his spouse during her lifetime, from a date next following the date of his leaving the service of the Company.
- (j)
 - (i) Annual leave with full pay and other benefits for a period of one month with benefit of encashment of unutilized leave at the end of tenure.
 - (ii) Sick and casual leave as per Company's rules applicable to its Executive staff members.
- (k) Maintenance of telephone at his place of residence and Mobile phones at the entire cost of the Company.
- (l) Exclusive free use of a motor car for the business of the Company as well as for his personal use with full maintenance charges in respect thereof such as Chauffeur's salary, garage rent, fuel, repairs, insurance, taxes, overhauling charges, etc. at the entire cost of the Company.

PROVIDED THAT in the event of absence or inadequacy of profits in any year the said remuneration as stated in clause (b) above together with the payments, benefits and amenities shall nevertheless be paid or allowed as minimum remuneration for such year and if necessary entered into a Contract."

- 10) To consider and, if thought fit, to pass, with or without modification(s), the following as an Ordinary Resolution:

"RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 2013 and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the consent of the

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shareholders of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this resolution) to the undernoted subsisting contracts already entered into or to be entered into and further authorized to deal in related party transaction(s) as under:

Sr. No.	Name of the Related Party	Nature of Transaction	Aggregate Amount of transaction in a year	Duration of Agreement
1	Pudumjee Pulp & Paper Mills Limited	Agreement for Purchase of Wind Power	Aggregate Consideration not exceeding ₹ 800 Lacs for per financial year for supply of Wind Power (tariff rate as reduced by 10%)	3 (three) years commencing from the effective date of the Scheme of Arrangement and Reconstruction (Demerger) (i.e. 1 st February, 2016)
		Leave and License Agreement for accepting portion of office premises located at Mezzanine Floor, 60, Jatia Chambers, Dr. V. B Gandhi Marg, Mumbai - 400 001	License fee of ₹ 50,000/- per month plus service tax	3 (three) years commencing from the effective date of the Scheme of Arrangement and Reconstruction (Demerger) (i.e. 1 st February, 2016)
		Arrangement/ Agreement for Accepting Inter Corporate Deposits	Amount remaining outstanding during any financial year shall not exceed ₹ 6,000 Lacs Rate of Interest : Upto 11.25% p.a. but not less than 10.00% p.a.	Repayable On Demand Continuous Arrangemen
		Arrangement/ Agreement for Sale of tissue papers, Napkins, Towels, etc. at Market based rates	About ₹ 10 lacs for each financial year.	Continuous arrangement.
2	Pudumjee Industries Limited	Arrangement/ Agreement for Accepting Inter Corporate Deposits	Amount remaining outstanding during any financial year shall not exceed ₹2,500 Lacs Rate of Interest: Upto 11.25% p.a. but not less than 10.00% p.a.	Repayable On Demand Continuous Arrangement
3	Thacker And Company Limited	Arrangement/ Agreement for Accepting Inter Corporate Deposits	Amount remaining outstanding during any financial year shall not exceed ₹ 2,500 Lacs Rate of Interest: Upto 11.25% p.a. but not less than 10.00% p.a.	Repayable On Demand Continuous Arrangement
4	Chem Mach Private Limited	Arrangement/ Agreement for Accepting Inter Corporate Deposits	Amount remaining outstanding during any financial year shall not exceed ₹ 2,500 Lacs Rate of Interest: Upto 11.25% p.a. but not less than 10.00% p.a.	Repayable On Demand Continuous Arrangement

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as it may, deem necessary, and to execute all necessary documents".

- 11) To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution:

"RESOLVED THAT the consent of the Company be and is hereby accorded to the Board of Directors of the Company, pursuant to Sections 73(2) and 76 of the Companies Act, 2013 ('the Act' which term includes any amendment or modification or re-enactment thereof) and other applicable provisions of the said Act or other laws, and subject to the conditions laid down in those provisions and the Companies (Acceptance of Deposits) Rules, 2014, to invite and accept deposits from the members of the Company and from the public in general, on such terms and conditions as the Board may decide, so however that the borrowing by way of fixed deposits, as above, shall not exceed the limits laid down under the Companies (Acceptance of Deposits) Rules, 2014 in force and as amended from time to time".

- 12) To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, as amended from time and to time, the Company hereby approves the remuneration of ₹ 2,50,000/- for Messrs. Y. R. Doshi & Co., Cost Accountants in Practice (FRN 000003), who have been appointed by the Board of Directors of the Company as the Cost Auditors of the Company, to conduct the audit of the Cost Records of the Company relating to "PAPER" for the Financial Year ending 31st March, 2017."

- 13) To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013, the consent of the members be and is hereby accorded to alter the Articles of Association of the Company by inserting the following new Clauses in the existing Articles of Association:

23A. DELEGATION OF OPTION OR RIGHT TO CALL OF SHARES

"The option or right to call of shares shall not be given to any person except with the sanction of the Issuer in general meetings."

31A. REFUSAL OF TRANSFER

"The registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever;"

RESOLVED FURTHER THAT any Director of the Company or the Company Secretary be and are hereby authorized to do all such acts, deeds and things necessary to give effect to this above resolution."

- 14) To appoint a Director in place of Mr. Basant Kumar Khaitan, who was appointed as an additional director of the Company with effect from 28th May, 2016 pursuant to Section 161 of the Companies Act, 2013 and applicable provisions of the Articles of Association and holds office only upto the date of this Annual General Meeting by reason of the provision of Section 161 of the Companies Act, 2013 and being eligible offers himself for reappointment and in respect of whom the Company has received a notice in writing from a

member proposing his candidature to the office of a Director in accordance with the provisions of the Section 160 of the Companies Act, 2013 and if thought fit, to pass the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Basant Kumar Khaitan (DIN: 00459514), who submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and who is eligible for reappointment, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (Five) year from 17th September, 2016 to 16th September, 2021".

- 15) To appoint a Director in place of Dr. Ashok Kumar, who was appointed as an Additional Director of the Company with effect from 28th May, 2016 pursuant to Section 161 of the Companies Act, 2013 and applicable provisions of the Articles of Association and holds office only upto the date of this Annual General Meeting by reason of the provision of Section 161 of the Companies Act, 2013 and being eligible and offers himself for reappointment. The Company has received a notice in writing from a member proposing his candidature to the office of a Director in accordance with the provisions of the Section 160 of the Companies Act, 2013 and if thought fit, to pass the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of section 149, 152 and all other applicable provisions of the Companies Act, 2013 and the Rules framed there under (including any statutory modification(s) or re-enactment thereof for the time being in force), Dr. Ashok Kumar (DIN: 07111155) be and is hereby appointed as a Director of the Company, liable to retire by rotation."

- 16) To consider and, if thought fit, to pass, with or without modification(s), the following as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 and other applicable provisions, if any, read with Schedule V of the Companies Act, 2013 (the Act) and subject to such other approvals as may be necessary, Dr. Ashok Kumar (DIN: 07111155) be and is hereby appointed as an Executive Director of the Company for a period of Five (5) years with effect from 28th May, 2016, AND THAT consent of the Company be and is hereby accorded to the following remuneration, payments, benefits and amenities for an initial period of 3 years and the terms of the appointment of Dr. Ashok Kumar, with a power to the Board of Directors to alter or vary from time to time at the discretion of Board of Directors, so however that they do not exceed the permissible limits laid down under Schedule V of the Act or any statutory modification(s) or re-enactment thereof for the time being in force, namely:-

- a. He shall, subject to the supervision and control of Board and of the Managing Director and Chairman of the Company, perform such services and duties and exercise such powers as may from time to time be entrusted to him by the Chairman/Managing Director.
- b. Remuneration at the rate of ₹ 5,20,000/- per month including Dearness Allowance.
- c. Rent free furnished residential accommodation, the Company paying or reimbursing all rents, rates, taxes and other expenses for the upkeep and maintenance of his residential accommodation or an allowance in lieu thereof at the rate of ₹ 1,65,000/- per month.
- d. Expenses of electricity, gas and water, furnishing, of the residential accommodation.
- e. Actual medical expenses including health insurance premium, hospitalization, nursing home charges, surgical charges, and travelling expenses incurred for himself, his wife and dependent children.
- f. Leave Travel Assistance to cover air and first class air conditioned railway fare for himself, his wife and dependent children once in a year to and from any place in India.
- g. Membership fees including entrance and other fees for any two clubs.
- h. Personal accident insurance premium.
- i. Participation in the Provident Fund and Pension/Superannuation Scheme.